



**Gresham House**  
Specialist investment

# Forestry's contribution to net zero

Unlocking investment to find a  
sustainable solution



“

## Natural Capital

...underpins the prosperity of  
our societies and economic systems  
by providing diverse natural resources

# Disclaimer

This presentation (the Presentation) is issued on a confidential basis by Gresham House for information purposes only. This Presentation, its contents and any information provided or discussed in connection with it are strictly private and confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose, without the consent of Gresham House (provided that you may disclose this Presentation on a confidential basis to your legal, tax or investment advisers (if any) for the purposes of obtaining advice).

Your acceptance of delivery of any part of the Presentation constitutes unconditional acceptance of the terms and conditions of this notice.

This Presentation does not itself constitute an offer to subscribe for or purchase any limited partnership interests or other securities. This Presentation is not intended to be relied upon as the basis for an investment decision, and is not, and should not be assumed to be, complete. It is provided for information purposes only. Any investment is subject to various risks, none of which are outlined herein. All such risks should be carefully considered by prospective investors before they make any investment decision.

You are not entitled to rely on this Presentation and no responsibility is accepted by Gresham House or any of its directors, officers, partners, members, agents or advisers or any other person for any action taken on the basis of the content of this Presentation. Gresham House does not undertake to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies therein which may become apparent.

No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of Gresham House or any of its respective directors, officers, partners, members, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any of them for any such information or opinions.

Past performance is not indicative of future results. The value of investments may fall as well as rise and investors may not get back the amount invested. Changes in rates of foreign exchange may cause the value of investments to go up or down.

No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided.

The internal rates of return or IRRs presented on a “gross” basis do not reflect any management fees, carried interest, taxes and allocable expenses of the kind that will be borne by investors in a fund, which in the aggregate may be substantial.

Statements contained in this Presentation that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Gresham House. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. In addition, this Presentation contains “forward-looking statements.” Actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

Certain economic and market information contained herein has been obtained from published sources prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, neither Gresham House nor any of its directors, partners, members, officers or employees assumes any responsibility for the accuracy or completeness of such information.

No person, especially those who do not have professional experience in matters relating to investments, must rely on the contents of this Presentation. If you are in any doubt as to the matters contained in this Presentation you should seek independent advice where necessary. This Presentation has not been submitted to or approved by the securities regulatory authority of any state or jurisdiction.

## *For the Attention of United Kingdom Investors*

This Presentation is intended for distribution in the United Kingdom only to persons who: (i) have professional experience in matters relating to investments, who are investment professionals, high net worth companies, high net worth unincorporated associations or partnerships or trustees of high value trusts, and investment personnel of any of the foregoing (each within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005).



# Sustainable forestry solutions

Forestry is a unique and vital sector

Contribution to the economy

Supporting jobs

Removal and reduction of carbon

Promotion of clean energy

Biodiversity enhancement

Provision of additional social benefits

Proven effective solution

1

Sector facing challenges

2

Action to deliver outcomes

3



An aerial photograph of a dense forest. A dirt road winds through the trees, and a white van is parked on it. The text "What has forestry ever done for us?" is overlaid in white.


**What has forestry ever done for us?**



# Sustainable forestry's contributions

A long-term sustainable investment delivering non-correlated returns alongside numerous additional benefits

**1**



**Social**

- Delivering for nature and communities

**2**



**Environmental**

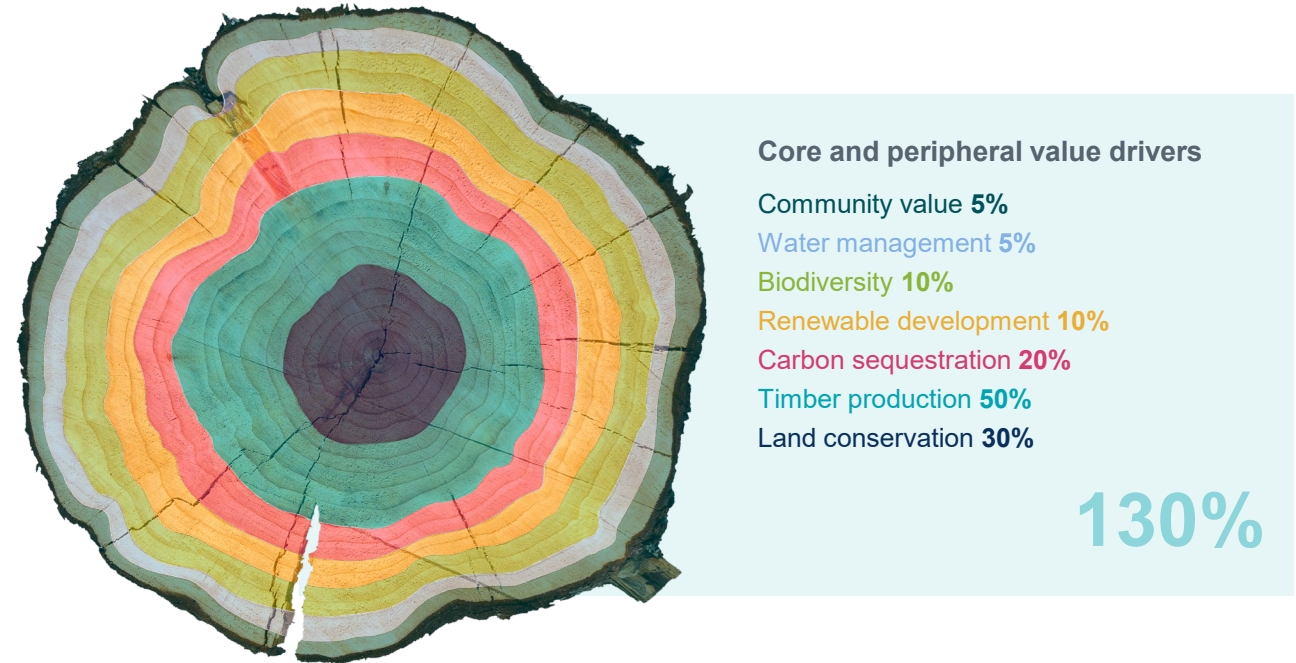
- Delivering for climate change mitigation

**3**




**Economic**

- Delivering for the economy and employment




For illustrative purposes only, figures are not definitive and only a representation for what might be possible for a forestry asset if nature markets continue to mature

**Gresham House statistics<sup>1</sup>**



Over **5 million tCO<sub>2</sub>e** sequestered



Over **28 million trees<sup>2</sup>** planted over **11,000ha**

1. Between the period 1 January 2021 and 31 December 2023  
2. Includes both new trees and restocked trees

# The challenges

- Fiscal change
- Inefficient planting approval process
- An ineffective UK carbon standard
- Reduction in maximum proportion of core commercial species
- Poor public perception of forestry

**UK annual planting area targets versus actuals**



## Risk of undermining forestry's contribution to...

**1**

Timber security

**2**

Economy

**3**

Decarbonisation

**4**

Biodiversity

# Opportunity

- The National Wealth Fund (NWF) presents strategic opportunity

Cornerstone of government's economic growth strategy

Investment in clean energy industries



**NATIONAL  
WEALTH  
FUND**

Help support transition to net zero

Invest in industries of the future

Mobilise new private sector capital

Opportunity for UK capital to be directed into UK assets, not diverted into global markets



**Gresham House**  
Specialist investment

# Our experience

- Gresham House experience with public/private partnerships has been mixed

## Demonstrated significant potential

### Scottish National Investment Bank (SNIB)

- Aim to catalyse private capital to support Scottish planting targets
- £50 million catalysed £300 million total

£50mn



£300mn

### Ireland Strategic Investment Fund (ISIF)

- Aim to catalyse private capital to support Ireland's Climate Action Plan
- €60 million on track to catalysing €200 million total

€60mn



€200mn

## Delivery of outcome has been hampered

### Negative messaging and legislation

- Negative reaction from public and press

### Lack of continued support

- Support seemingly ended at financial delivery

A diverse fund of investment worth £300 million has a far greater impact than an isolated £50 million direct investment.



# Key factors for success

A clear mandate, amendments to inefficient frameworks and a commitment to act in continued support of the sector is required

## National Wealth Fund

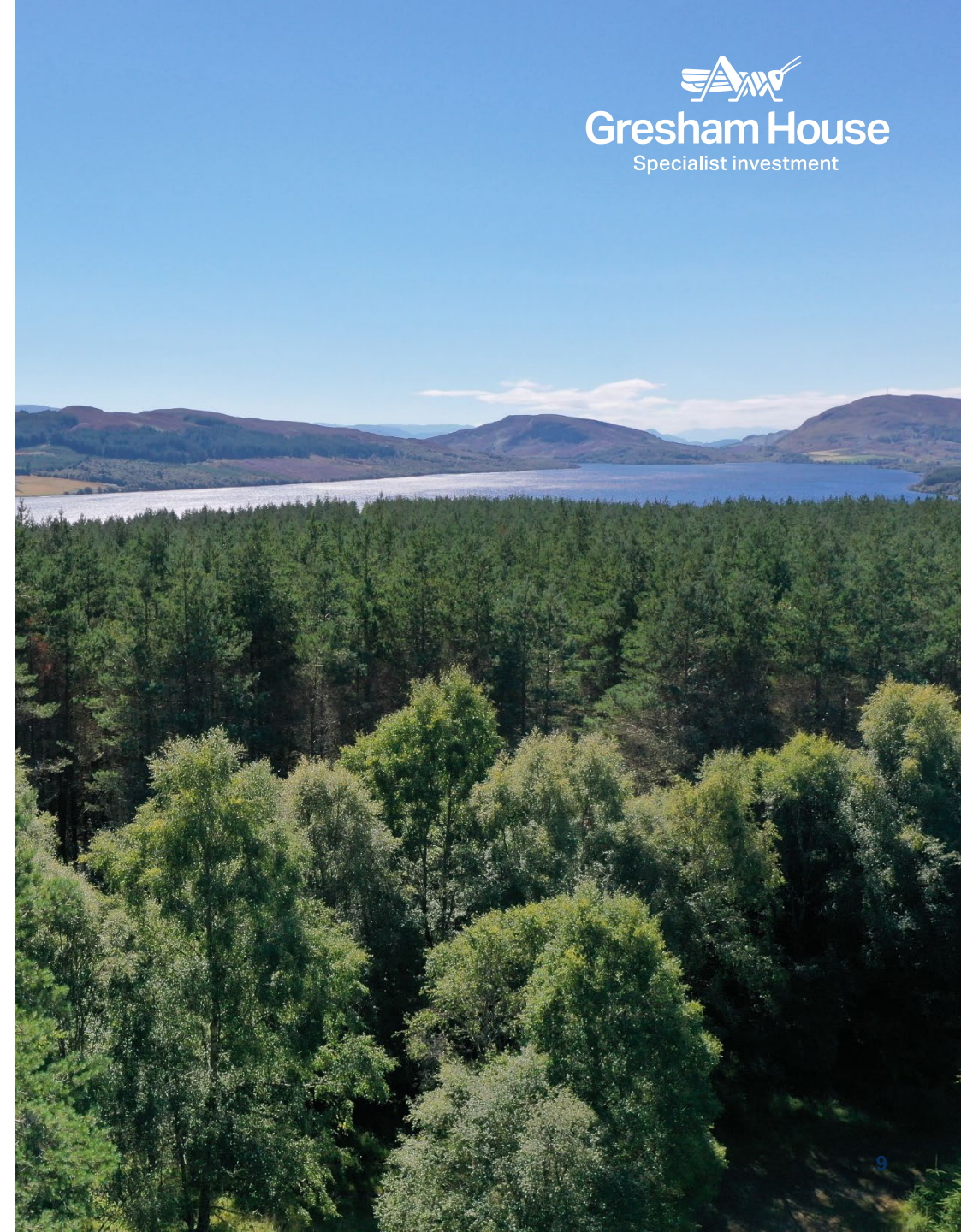
- Clear mandate
- Certainty of outcome
- Aims must be backed up by action

## Planting approval process

- Clear timeline parameters
- Introduction of an enforceable timeframe for final decisions

## Public perception of forestry

- Promotion of positive messaging around forestry
- Stronger emphasis on forestry's social, environmental and economic benefits
- Greater integration within government policy





# Summary

Forestry is an under-supported industry.

1

**Forestry is already a proven sustainable solution**

2

**Greater public and governmental recognition and integration is vital**

3

**Government initiatives have significant potential, but require continued action to achieve intended outcomes**





**Gresham House**

Specialist investment